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SUBJECT: AMBASSADOR ROEMER PEDALS HIS WAY TO WIN A NEW BIHAR'S
HEARTS AND MINDS

REF: KOLKATA 24

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11. (SBU) Summary: During Ambassador Roemer's February 4-5 visit to Bihar, the first ambassadorial visit in more than a decade to India's third most populous state, he promoted the U.S.-India strategic dialogue and pedaled his way to win Bihar's "hearts and minds". He met the state's Chief Minister, who discussed his administration's progress in the last five years to improve security and infrastructure in this Maoist/Naxal affected state.

He saw first-hand the "new Bihar" that is developing at the second fastest growth rate in the country with potential commercial opportunities in the roads, bridges and power sectors. The visit was covered extensively by local, regional, and national English and vernacular press with articles and the now famous "rickshaw shot" appearing in cities as far away as Mumbai and Hyderabad. In an effort to explore new markets for U.S. companies, post's commercial section is taking a closer look at Bihar and eastern India with the goal of bringing a trade delegation within the year.

Discusses "Development with Justice" and Improved Security

12. (SBU) In a 45-minute February 4 meeting with the Ambassador, Bihar Chief Minister Nitish Kumar discussed his "development with justice" approach to governance and his achievements in implementing "government at your doorstep". Underpinning the strong annual growth rate of 11.0 percent over the past five years, which he expects to continue, are prioritized spending on infrastructure and increased private sector activity made possible by the improved security situation. According to Kumar, people are "no longer scared to leave their homes at night" as he has enforced the law "without fear or favor" and sentenced more than 40,000 criminals. However, he did acknowledge that the Maoists/Naxals continue to be a concern in the state, although less than in the neighboring states of Jharkhand or West Bengal, or Bihar of years past. Kumar emphasized that the only way to confront the challenge was through both police operations and development/outreach to the vulnerable communities. The Ambassador pressed Kumar on whether emphasizing improved "law and order" and "economic development" were enough to confront the Maoist challenge. Kumar deflected the Ambassador's question of whether an additional paramilitary effort was required and refrained from committing to next week's meeting with Home Minister Chidambaram in Kolkata. He again indicated that he preferred a more state by state approach and quickly changed his subject back to his success in Bihar.

[Comment: Kumar did not attend that next week's meeting in Kolkata and on February 15 Maoists killed 24 police in Silda, West Bengal (See Reftel). On February 17 Maoists killed 12 villagers in the remote Bihar village of Phulwaria in Jamui district.]

13. (SBU) Nitish Kumar, whose regional Janata Dal United party

sits with the opposition in New Delhi, outlined his efforts to empower women and children through the introduction of a female quota (50 percent) for elected local government offices (one of the first states to do so), a female literacy campaign, subsidized uniforms and bicycles for schoolgirls, and overall reduction in the number of school children out of school (decrease from 2.5 million in 2005 to 0.75 million in 2009). He believes that "caste barriers are breaking down and that development has taken the center stage in Bihar". He cited his party's strong results in last year's parliamentary election as proof that caste no longer plays the dominant role in Bihar, although the real test will be in the state assembly elections, expected to take place in October-November 2010. The Ambassador highlighted the strategic dialogue, especially the education and development pillar, and underscored the common values and challenges shared by the United States and India. The Ambassador was accompanied to the meeting by the USAID Mission Director.

Potential Commercial Opportunities in Roads, Bridges, and Power

14. (SBU) Like the Chief Minister, other civil servants who met the Ambassador also highlighted the potential commercial opportunities in infrastructure (roads, bridges, and power), agriculture, and food processing. The impressive Pratyaya Amrit, the head of the state's road construction department relayed the vision of the Chief Minister that the capital city should be reachable via roads within six hours from any place in the state (current drive times may be double that). The state government has taken the unusual step of allocating a large share of its discretionary spending for road construction. Amrit has attracted large Indian infrastructure firms to Bihar through bundled contracts and standard bidding documents. In his opinion, there are potentially better commercial opportunities in "virgin" Bihar, as opposed to the more saturated markets of Gujarat, Andhra Pradesh and Karnataka, especially in public-private partnerships in bridge

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construction, composite bridge technology, and outsourced design, consultancy and maintenance. The state's chief road engineer also mentioned the potential for U.S. products in construction, such as Sinak's chemical S-102, which reduces the use of water in curing cement.

15. (SBU) The chairman of the state electricity board told the Ambassador about the state's power generation deficit: a current generation of 1340 megawatts versus a demand of 2000 megawatts. The deficit is partly due to Bihar's bifurcation in 2000, when Jharkhand received all of the mineral wealth and power generation assets. According to the chairman, the state is focused on modernizing existing plant capacity, strengthening the transmission and distribution network, and building new thermal (coal) power plants. The board plans to issue global tenders inviting private participation for the upcoming power plants. The group acknowledged the potential for renewable energy sources, particularly solar, biomass and biofuel (sugarcane based ethanol), but admitted that the focus up until now has been on improved efficiency and additional thermal capacity.

To the White House in a Rickshaw

16. (SBU) In Patna, the Ambassador met Irfan Alam, founder and director of the Sammaan Foundation, who in the last couple of years has modernized, mobilized and empowered rickshaw cycle operators in Bihar and nine other states. Winner of numerous accolades, Alam has been nominated and will attend President Obama's Entrepreneurial Summit in April. Mention of the summit and the now famous "rickshaw shot" of the Ambassador's spontaneous ride in which he pulled his wife Sally, one national news weekly captioned it "Driving Ms. Sally", found its way from the front pages of Patna to the papers of Kolkata and Mumbai and beyond. [Comment: Post-Patna, people have walked up to the Ambassador during subsequent visits in Bangalore, Delhi and Amritsar and thanked him for personally displaying America's

principles of equality of all people.]

Clicking his Way through Islamic History

¶17. (SBU) At the Khuda Bakhsh Oriental Library, one of India's top repositories of Arabic and Persian documents, the Ambassador participated in a ceremony to upload photographs of Islamic timepieces and artifacts to the library's webpage thereby increasing public access to this rich, cultural legacy. His remarks at the library, which continues to serve as a public library, solidified the U.S. partnership with, and support for, this institution in a state with a significant Muslim population (16 percent). Outside of the library the Ambassador's interaction and hand shaking with ordinary citizens was very well received. To quote one local paper "it was a gesture that few of our netas [leaders] would show". The visit enjoyed extensive and favorable coverage by local, regional, and national, and English and vernacular press. Headlines ranged from U.S. envoy "wins hearts and minds" to "pedals his way to slum kids' hearts".

Highlighting USG - India Partnership in Education

¶18. (SBU) The Ambassador visited Harijan Dujra primary school, a government school that is implementing a USAID-sponsored program to teach English with an interactive radio program. The program, entitled Technology Tools for Teaching and Training (T4), currently reaches more than 13 million children in grades 1-4 in the state, and more than 36 million children throughout the country. The Ambassador was accompanied on this site visit by the USAID Mission Director.

Comment

¶19. (SBU) Nitish Kumar's Bihar is qualitatively different from that of his predecessor Lalu Yadav Prasad (Rashtriya Janata Dal), who had, with his wife, ruled the state from 1990-2005. While it is still some time before industry takes root in this agricultural state, there appear to be commercial opportunities in the near term relating to the large funding that is earmarked for building infrastructure. The infrastructure, in turn, will help improve the business climate for future industrial development. In order to continue with his program of "development with justice", Nitish Kumar has to win a new mandate from the voters this fall. Neither Lalu Yadav's RJD nor Sonia Gandhi's Congress are going to give him a free pass, although the current Janata Dal United - Bharatiya Janata Party is well-positioned. Rahul Gandhi had visited Bihar two days before the Ambassador's trip to explore short- and long-term electoral opportunities in this rapidly developing state. In an effort to explore new markets for U.S. companies, post's commercial section is taking a closer look at Bihar, and eastern

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